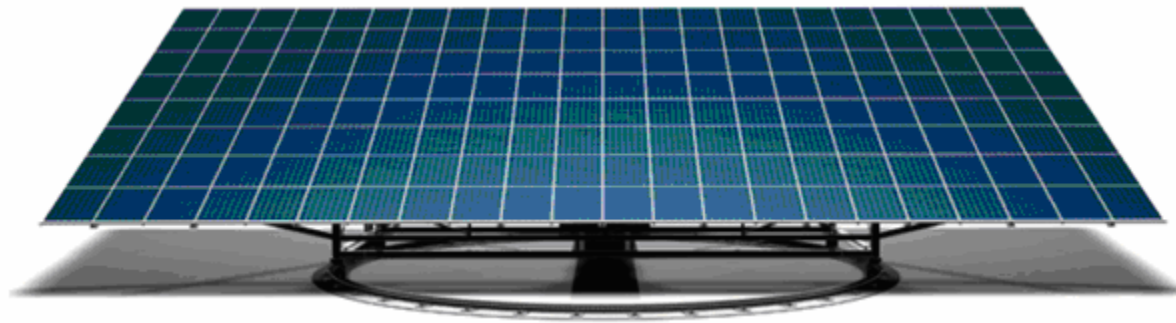




10th Anniversary
Kansas Wind & Renewable Energy
Conference '09

Solar Power Purchase Agreements

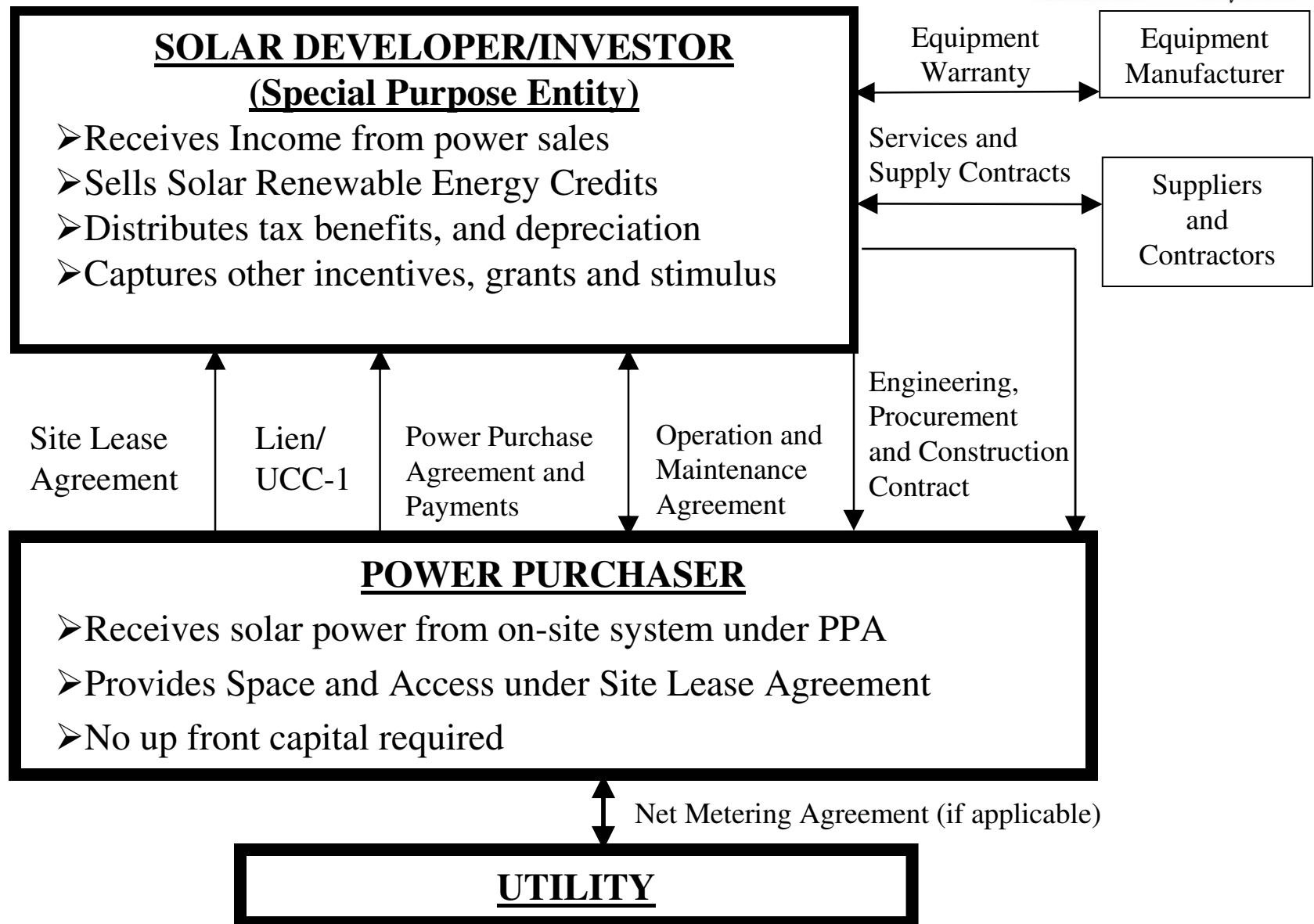


Alan Claus Anderson

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October 7, 2009



Solar Developer Investor

- Benefits
 - Federal tax credit - 30% of total cost of solar equipment
 - Tax deductions for depreciation
 - Tax deductions for interest payment if acquisition of equipment is financed
 - May maintain ownership of Renewable Energy Credits generated from project
 - Scalability and multitude of options for financing structure
- NOTE: Project Entity can also be financed partially with debt
- NOTE: Project Entity operating agreement may include future “flip” of Manager and Equity Investor interests

Other Key Items

- PPA documents generally include a provision for purchase of the project prior to the conclusion
 - May be a set price or a fair market value price
- Solar Developer owns equipment
- Could be output guarantees, but most are “take and pay”
- Power Purchaser will have some site use restrictions

Benefits

- No upfront cost to power purchaser
- Provides a predictable cost of electricity and a hedge against future electricity costs
- More power purchasers available
- Scalable for both power purchaser and developer
- Developer can aggregate projects

Questions?

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